



General Assembly

February Session, 2014

Raised Bill No. 270

LCO No. 1704



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT CONCERNING COMMERCIAL REAL ESTATE CONDITION REPORTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2015*) (a) For the purposes of
2 this section, "commercial real estate" shall have the meaning set forth
3 in section 38a-92a of the general statutes. Except as otherwise provided
4 in this section, on and after the effective date of regulations adopted
5 pursuant to subsection (d) of this section, each person who offers
6 commercial real estate in the state for sale or lease, shall provide a
7 written commercial real estate condition report to the prospective
8 purchaser or lessee prior to the prospective purchaser's or lessee's
9 execution of any binder, contract to purchase, option or lease for such
10 commercial real estate. A photocopy, duplicate original, facsimile
11 transmission or other exact reproduction or duplicate of the written
12 commercial real estate condition report containing the prospective
13 purchaser's or lessee's written receipt shall be attached to any written
14 offer, binder or contract to purchase or lease. A photocopy, duplicate
15 original, facsimile transmission or other exact reproduction or
16 duplicate of the written commercial real estate condition report

17 containing the signatures of both seller and purchaser or lessor and
18 lessee, as the case may be, shall be attached to any agreement to
19 purchase or lease the property.

20 (b) The following shall be exempt from the provisions of this
21 section: (1) Any transfer or lease from one or more co-owners solely to
22 one or more of the co-owners; (2) transfers or leases made to the
23 spouse, mother, father, brother, sister, child, grandparent or
24 grandchild of the transferor or lessor where no consideration is paid;
25 (3) transfers or leases pursuant to an order of the court; (4) transfers or
26 leases made by executors, administrators, trustees or conservators; (5)
27 transfers or leases by the federal government, any political subdivision
28 thereof or any corporation, institution or quasi-governmental agency
29 chartered by the federal government; (6) transfers by deed in lieu of
30 foreclosure; (7) transfers or leases by the state of Connecticut or any
31 political subdivision thereof; (8) transfers or leases of property which
32 was the subject of a contract or lease entered into prior to January 1,
33 2015; and (9) any transfer of property acquired by a judgment of strict
34 foreclosure or by foreclosure by sale or by a deed in lieu of foreclosure.

35 (c) The provisions of this section shall apply only to transfers by sale
36 or lease of commercial real estate and shall apply to all transfers, with
37 or without the assistance of a licensed real estate broker or salesperson,
38 as defined in section 20-311 of the general statutes.

39 (d) Not later than July 1, 2015, the Commissioner of Consumer
40 Protection shall, by regulations adopted in accordance with the
41 provisions of chapter 54 of the general statutes, prescribe the form of
42 the commercial real estate condition report required by subsection (a)
43 of this section.

44 (e) On and after the effective date of regulations adopted pursuant
45 to subsection (d) of this section, the Commissioner of Consumer
46 Protection shall make available the commercial real estate condition
47 report to all municipal town clerks, the Connecticut Association of

48 Realtors, Inc., and any other person or institution that the
49 commissioner believes would aid in the dissemination and distribution
50 of such report. The commissioner shall also cause information
51 concerning such report and the completion of such report to be
52 disseminated in a manner best calculated, in the commissioner's
53 judgment, to reach members of the public, attorneys and real estate
54 licensees.

55 (f) On and after the adoption of the regulations required pursuant to
56 subsection (d) of this section, each agreement to purchase or lease
57 commercial real estate, for which a commercial real estate condition
58 report is required pursuant to subsection (a) of this section, shall
59 include a requirement that the seller or lessor credit the purchaser or
60 lessee with the sum of one thousand dollars at closing or upon
61 execution of the lease should the seller or lessor fail to furnish the
62 commercial real estate condition report as required by subsection (a) of
63 this section.

64 (g) Nothing in this section shall be construed to: (1) Create any new
65 implied or express warranties on behalf of the seller or lessor of
66 commercial property; or (2) require the seller or lessor of commercial
67 property to secure inspections, tests or other methods of determining
68 the physical conditions of the property.

69 (h) Any representation made by a seller or lessor pursuant to this
70 section or pursuant to regulations adopted pursuant to subsection (d)
71 of this section shall be construed only to extend to the seller's or
72 lessor's actual knowledge of the commercial property and no
73 constructive knowledge shall be imputed to the seller or lessor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2015	New section

Statement of Purpose:

To provide prospective purchasers and lessees of commercial real estate with commercial real estate condition reports.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]